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WEEKLY VIETNAM INDICATORS

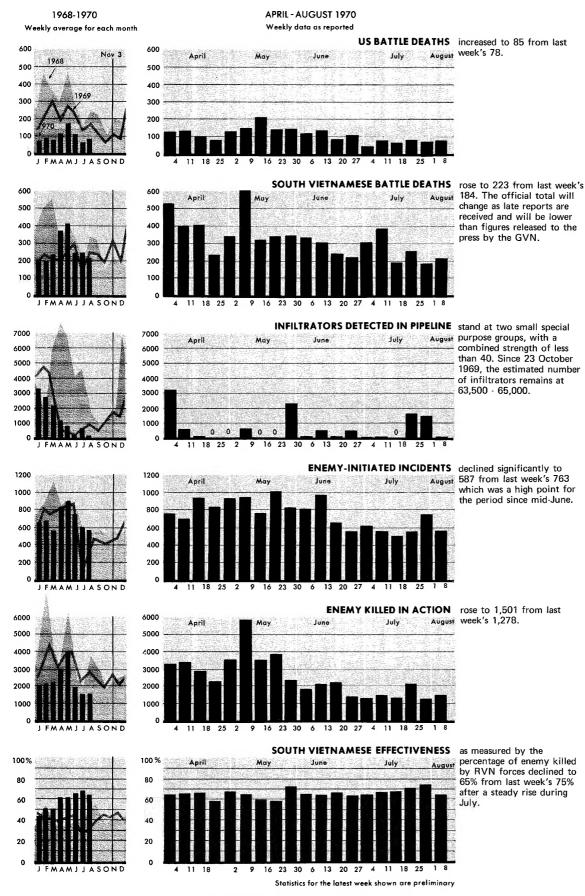
Week Ending 8 August 1970

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SOUTH VIETNAM WEEKLY INDICATORS



FOR THE PRESIDENT ONLY

Enemy Activity

Enemy-initiated activity in South Vietnam rose during the past week. The increase consisted largely of indirect fire attacks and limited ground action, generally concentrated in Military Regions 1 and 4, though there was a moderate increase in northwestern MR 3 where the enemy is attempting to disrupt ARVN supply lines into Cambodia. The reappearance of a regiment of the 9th Division in the northeastern Tay Ninh Province/Cambodian border area for the first time since the termination of Allied cross-border operations suggests there may soon be a further increase in enemy activity in Military Region 3.

Communist activity in Laos this week has been largely confined to minor skirmish activity probably designed to keep friendly forces off balance and to probe government defensive positions. Friendly irregular units in southern Laos are actively engaged in an interdiction effort against the Se (River) Kong supply corridor in Saravane and Attopeu Provinces. The fall of Attopeu town in late April 1970 opened a potentially important all-weather supply line from southern Laos to Stung Treng in northeastern Cambodia. Since mid-June, friendly irregulars targeted against boat traffic on the Se Kong have destroyed over 40 enemy light water logistical craft. Some 80 enemy have been confirmed as killed with about 60 more probably killed. Most of the boats destroyed were north of Attopeu. Cargos have been difficult to identify because the bulk of the sinkings have occurred at night when most of the boat traffic moves to avoid friendly air strikes.

In Cambodia, sharp fighting flared in several areas during the week. Government troops, supported by numerous air strikes, have driven almost all the Communist forces out of Kompong Thom City; but the enemy continues to harass the city with intermittent mortar fire. Other actions in western Cambodia include Communist attacks against Siem Reap City and the important crossroads town of Kralanh. Northeast of Phnom Penh, the towns of Skoun and Prey Totung have seen some heavy fighting. Both towns continue to receive periodic shelling at-The Khmer Krom relief force that retook Skoun is returning to Phnom Penh to counter possible enemy attacks against that city's outer defenses. Cambodian marines engaged an unidentified small enemy force (probably a probing patrol) only two miles from Phnom Penh on 9 August. Meanwhile, south of Phnom Penh, fresh fighting has again broken out at the district town of Saang.

Enemy Infiltration

After a late July spurt, personnel infiltration returned to the low level which has generally prevailed since early April. Two small, special purpose groups with a combined strength of 37 were the only groups detected during the past week. The total number of infiltrators since 23 October 1969 stands at an estimated 63,500 - 65,000.

Documents captured during this summer's cross-border operations, particularly records of Rear Services units responsible for the movements of infiltrators into the COSVN area, have provided considerable confirmation of the accuracy and reliability of the U.S. intelligence community's estimates of enemy infiltration, at least into that portion of South Vietnam. In the three-month period of February, March, and April 1970, for example, the U.S. estimate for infiltrators arriving in the COSVN area of South Vietnam was 13,500, while enemy records show that 13,457 actually arrived. Although this degree of accuracy may be exceptional, the documents do add a substantial margin of confidence to our overall estimative methodology.

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South Vietnam Developments

Thieu indicated his willingness to accept a temporary cease fire in place before a political settlement is reached, provided there is prior agreement on international supervision, a halt in infiltration and terrorism, and a guarantee that serious negotiations would follow. South Vietnam would not, however, relinquish its political

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authority over areas occupied by the enemy. Commenting on a political settlement, Thieu stated the participation of the NLF in the political life of the nation would be achieved through democratic elections supervised by an electoral commission and not through any percentage "fixed" beforehand. He observed that the government would win any such elections. He expressed confidence that a coalition government would not be imposed on South Vietnam because "even the American public" opposed this solution. Thieu noted that peace initiatives are not likely to lead anywhere, but it was necessary to keep working toward a settlement in order to "buy time" for President Nixon's administration.

Thieu's assessment that the Communists will not accept a cease fire on his terms is probably correct. There is considerable evidence that during 1969 the Communists were making at least serious contingency plans for a post-hostilities situation, but there have been few signs of such planning since late 1969. In its public posture, Hanoi has usually insisted that a cease fire will have to follow agreement on the broad outlines of a political settlement. Hanoi probably calculates that substantial Allied concessions, which would at a minimum guarantee security and freedom of action for its followers, would be required before the advantages of a cease fire would outweigh the dangers.

In an 8 August conversation with Ambassador Bunker on the need for early action on economic reform measures, President Thieu indicated that he is considering using his executive authority to adjust the exchange rates, if the Senate fails to act on the basic enabling bill (the "program law") before the 30 August Senate elections. This bill is now stalled in the Senate, which manifests no great rush to grasp the political nettles (e.g. exchange rates) contained in various portions of the act. Opponents of the law, which would give Thieu decree powers to deal with the economic problem, have been reluctant to give such powers to the President out of fear that he would "go too far" in imposing taxes and devaluing the piaster. In view of the widespread adverse reaction to his decree of austerity taxes last October, Thieu would be taking some risk in acting without the Assembly's backing, but in the current economic climate, the risks of taking no action are also great. Thieu's real views and intentions are hard to discern. He seemed fairly assertive in this conversation, but some of the steps he promised to take "right after the elections" were ones that last fall he promised to take "right after Tet."